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DEPARTMENT OF AGRICULTURE

Farm Service Agency

7 CFR Part 764

RIN 0560-AI33

Direct Farm Ownership Microloan; Correction

AGENCY: Farm Service Agency, USDA.

ACTION: Correcting amendments.

SUMMARY: In a final rule that was published and effective on January 21, 2016, we added Direct Farm Ownership Microloan (DFOML) to the existing Direct Loan Program. The final rule resulted in inadvertently omitting paragraphs that were previously in the Farm Loan Programs general eligibility requirements. The inadvertently removed paragraphs specified alternatives for demonstrating managerial ability. This document corrects that omission by revising the section in the regulations to reinsert that text.

DATES: Effective date: **[Insert the date of publication in the FEDERAL REGISTER]**.

FOR FURTHER INFORMATION CONTACT: Russ Clanton; telephone: (202) 690-0214. Persons with disabilities or who require alternative means for communication should contact the USDA Target Center at (202) 720-2600 (voice).

SUPPLEMENTARY INFORMATION

Background

The Farm Service Agency (FSA) published a final rule in the Federal Register on January 21, 2016 (81 FR 3289-3293), adding DFOML to the existing Direct Loan

Program. The final rule changes to 7 CFR part 764 resulted in inadvertently omitting two paragraphs that were previously in 7 CFR 764.101(i)(4), “General Eligibility Requirements,” which specified alternatives for demonstrating managerial ability for microloans (MLs) for Operating Loan (OL) purposes.

The only changes the final rule intended to make in section 764.101 were to clarify that the references to MLs in paragraphs (i)(3) and (4) were only for MLs for OL purposes. In making the change to paragraph (i)(4), we should have specified that the change was only to the introductory text of paragraph (i)(4) because the phrase “introductory text” was not specified, it resulted in paragraphs (i)(4)(i) through (ii) being inadvertently omitted from the CFR when the changes were made as specified in the final rule. Therefore, this document corrects the regulation by reinserting the previously published text for paragraphs (i)(4)(i) through (ii).

List of Subjects in 7 CFR Part 764

Agriculture, Disaster assistance, Loan programs-agriculture, Agricultural commodities, Livestock.

For reasons discussed above, FSA amends 7 CFR part 764 as follows:

PART 764 – DIRECT LOAN MAKING

1. The authority citation for part 764 continues to read as follows:

Authority: 5 U.S.C. 301 and 7 U.S.C. 1989.

2. Add § 764.101(i)(4)(i) and (ii) to read as follows:

§ 764.101 General eligibility requirements.

* * * * *

(i) * * *

(4) * * *

(i) Certification of a past participation with an agriculture-related organization, such as, but not limited to, 4-H Club, FFA, beginning farmer and rancher development programs, or Community Based Organizations, that demonstrates experience in a related agricultural enterprise; or

(ii) A written description of a self-directed apprenticeship combined with either prior sufficient experience working on a farm or significant small business management experience. As a condition of receiving the loan, the self-directed apprenticeship requires that the applicant seek, receive, and apply guidance from a qualified person during the first cycle of production and marketing typical for the applicant's specific operation. The individual providing the guidance must be knowledgeable in production, management, and marketing practices that are pertinent to the applicant's operation, and agree to form a developmental partnership with the applicant to share knowledge, skills, information, and perspective of agriculture to foster the applicant's development of technical skills and management ability.

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Val Dolcini,
Administrator,
Farm Service Agency.

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